

## SECTION A GOVERNOR'S OFFICE

Figure 1

3101 Governor's Office							All Programs	
Legislative Budget Comparison Table								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	-	-	7,065,451	-	-	7,065,451	7,065,451	0.0%
Operating Expenses	-	-	75,000	-	-	75,000	75,000	0.0%
Total Costs	-	-	7,140,451	-	-	7,140,451	7,140,451	0.0%
General Fund	-	-	7,140,451	-	-	7,140,451	7,140,451	0.0%
Total Funds	-	-	7,140,451	-	-	7,140,451	7,140,451	0.0%

### Agency Narrative

The Governor's office is provided an appropriation \$7.14 million for personal service costs that are normally appropriated in HB 13, but are contained in this bill to account general fund freed up by federal stimulus funds.

### Purpose of Funds

These funds are only the general fund portion for personal services pay plan normally appropriated in HB 13. \$4.0 million is for the personal services contingency fund administered by the Governor's Office to cover unexpected shortfalls in agency personal services expenditures. \$3.065 million is for the replacement of the one-time-only general fund appropriation for personal services budget adjustments to ensure the minimum payment to employee provision of 2-18-303(3) MCA. The remaining \$75,000 is for pay plan training.

### Statutory Changes

There are no statutory changes required.

### Conditions and Limitations

There are no conditions or limitations on the funding.



Figure 2

3101 Governor's Office				All Programs		
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP00400 HB 13 - Replace OTO general fund appropriations	7,140,451	-	7,140,451	7,140,451	-	7,140,451
<b>New Proposal Total</b>	<b>7,140,451</b>	<b>-</b>	<b>7,140,451</b>	<b>7,140,451</b>	<b>-</b>	<b>7,140,451</b>
<b>Total All Decision Packages</b>	<b>7,140,451</b>	<b>-</b>	<b>7,140,451</b>	<b>7,140,451</b>	<b>-</b>	<b>7,140,451</b>

## Decision Package Narrative

DP-400 Replace General Fund Appropriations In HB13 - This item requests appropriation of \$7,140.451 general fund in FY 10 for the replacement of pay plan elements funded with general fund in House Bill 13.

**SECTION A - DEPARTMENT OF ADMINISTRATION**

Figure 1

6101 Department Of Administration Legislative Budget Comparison Table						All Programs		
Federal Stimulus Budget Version	Base FY 2008	Approp FY 2009	Budgeted FY 2010	Budgeted FY 2011	Biennium FY 2008-09	Biennium FY 2010-11	Biennial Change	Biennial Percent
Operating Expenses	-	-	1,000,000	1,000,000	-	2,000,000	2,000,000	0.0%
Transfers	-	-	21,500,000	21,500,000	-	43,000,000	43,000,000	0.0%
<b>Total Costs</b>	-	-	<b>22,500,000</b>	<b>22,500,000</b>	-	<b>45,000,000</b>	<b>45,000,000</b>	<b>0.0%</b>
General Fund	-	-	22,500,000	22,500,000	-	45,000,000	45,000,000	0.0%
<b>Total Funds</b>	-	-	<b>22,500,000</b>	<b>22,500,000</b>	-	<b>45,000,000</b>	<b>45,000,000</b>	<b>0.0%</b>

**Agency Narrative**

The Department of Administration includes funding requests totaling \$45.0 million for the biennium from general funds freed up from Montana's receipt of American Recovery and Reinvestment Act of 2009 funds. Funding requests within the department are for: 1) transfers for funds to the Teachers' Retirement System; and 2) support of a high performance computer center.

**Purpose of Funds**

The purpose for the funding is to replace general fund for one-time expenditures of funding for department expenditures.

**Statutory Changes**

No statutory changes are anticipated in association with the funding for the department.

**Conditions and Limitations**

Funding is from freed up general fund associated with stimulus funds received by the state so no specific conditions or limitations are placed on the funds.

Figure 2

6101 Department Of Administration				All Programs		
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP090001 High Performance Computer Operations -- Biennial	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000	2,000,000
NP090001 Teacher Retirement System	21,500,000	21,500,000	43,000,000	21,500,000	21,500,000	43,000,000
<b>New Proposal Total</b>	<b>22,500,000</b>	<b>22,500,000</b>	<b>45,000,000</b>	<b>22,500,000</b>	<b>22,500,000</b>	<b>45,000,000</b>
<b>Total All Decision Packages</b>	<b>22,500,000</b>	<b>22,500,000</b>	<b>45,000,000</b>	<b>22,500,000</b>	<b>22,500,000</b>	<b>45,000,000</b>

## Decision Package Narrative

### Director's Office

NP 90001 - Teacher Retirement System - Biennium funding of \$43.0 million general fund is requested to provide annual transfers of \$21.5 million to the Teachers' Retirement System. Before these transfers, an actuarial valuation of the Teachers' Retirement System showed that contributions directed to the system would be sufficient to amortize the unfunded actuarial accrued liability (UAAL) of the system over 31.3 years. An estimate indicates the amortization period would be reduced to 28.8 years with the transfers in this item. However, both valuations were conducted for the period ending June 30, 2008, and don't take into account the subsequent global economic downturn and decline in the investments market.

### Information Technology Services Division

NP 90001 - High Performance Computer Operations - Biennial - Biennium funding of \$2.0 million general fund is requested to support a lease in the Thorton Building in Butte and startup and operating costs to run a high performance computer. A biennial designation is requested for this funding.

HB 2 currently includes funding for the high performance computer operations as a \$2.0 million line item appropriation designated as biennial and one time only.

## SECTION A DEPARTMENT OF COMMERCE

Figure 1

6501 Department Of Commerce							All Programs	
Legislative Budget Comparison Table								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	-	-	944,234	949,324	-	1,893,558	1,893,558	0.0%
Operating Expenses	-	-	664,348	645,305	-	1,309,653	1,309,653	0.0%
Grants	-	-	51,818,021	51,817,793	-	103,635,814	103,635,814	0.0%
<b>Total Costs</b>	-	-	<b>53,426,603</b>	<b>53,412,422</b>	-	<b>106,839,025</b>	<b>106,839,025</b>	<b>0.0%</b>
General Fund	-	-	6,833,419	6,826,581	-	13,660,000	13,660,000	0.0%
State/other Special Rev. Funds	-	-	21,583,958	21,576,615	-	43,160,573	43,160,573	0.0%
Federal Spec. Rev. Funds	-	-	25,009,226	25,009,226	-	50,018,452	50,018,452	0.0%
<b>Total Funds</b>	-	-	<b>53,426,603</b>	<b>53,412,422</b>	-	<b>106,839,025</b>	<b>106,839,025</b>	<b>0.0%</b>

## Agency Narrative

The Department of Commerce is provided \$106.8 million in funding for a number of economic development, stabilization, and infrastructure creation programs.

Purpose of Funds*Exchange of Funding Source*

Federal funds are being used to displace four general fund programs that were funded as one-time-only appropriations in House Bill 2: the Worker Training Program, the Montana Main Street Program, The Tribal Economic Development program, and the Energy Promotion and Development Division. This bill includes language that voids the general fund appropriations in HB 2 for these programs if funded in this bill.

*Programs Funded with Freed-Up general fund*

A number of projects are being funded with the general fund dollars that are now available because of federal funds offsetting the general fund in various programs. The Distressed Wood Product Industry Recovery and Stabilization Program (WPIRS) uses these funds in conjunction with other federal funds to establish a revolving loan account to provide a financing option to the Montana wood products injury with the goal of helping the affected companies retain jobs and industry infrastructure in Montana.

Broadband matching grants use the general fund to supply state grants to match the federal program funds for unserved or underserved communities.

The School Facilities Account and the Treasure State Endowment Program (TSEP) will receive a total of \$63.5 million in general fund transfers to be used for grants. The department is administering the school facilities grants because of the similarities to the TSEP grant administration. Additional state special authority is requested to accommodate the increased grant funding in TSEP.

### *Expansion of Existing Federally Funded Programs*

Community Development Block Grant (CDBG) funding is doubled with the implementation of the American Recovery and Reinvestment Act (ARRA). These funds will be awarded by formula for economic development, housing, or public facilities projects sponsored by municipal or county governments.

The housing division is provided additional federal funding for distribution of tax credits to qualified housing projects throughout the state. These tax credits fill the gap between eligible amounts and amounts previously available in fiscal years 2007, 2008, and 2009. In addition, federal funds are provided to the division for the exchange of a portion of the unused tax credits for the building of low-income housing projects within the state. These funds then can be granted to eligible projects to fill funding gaps to get these projects built in lieu of the tax credit.

### Statutory Changes

There are no statutory changes required.

### Conditions and Limitations

Conditions and limitations are noted in the Purpose of Funds section and Decision Package Narratives.

Figure 2

6501 Department Of Commerce				All Programs		
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP051000 Distressed Wood Prod. Industry	3,752,548	3,747,452	7,500,000	3,752,548	3,747,452	7,500,000
NP051002 Community Development Block Program	-	-	-	914,939	914,939	1,829,878
NP074001 Tax Credit Assistance Program	-	-	-	3,909,180	3,909,180	7,818,360
NP074002 Housing Credit Exchange	-	-	-	15,389,250	15,389,250	30,778,500
NP090000 New Worker Training	-	-	-	3,997,361	3,997,361	7,994,722
NP090006 Broadband Matching Grants	2,500,871	2,499,129	5,000,000	2,500,871	2,499,129	5,000,000
NP090007 School Facilities Administration & Grants	-	-	-	21,502,800	21,497,200	43,000,000
NP090001 Tribal Economic Development	-	-	-	798,496	798,496	1,596,992
NP090002 Montana Main Street Program	125,000	125,000	250,000	125,000	125,000	250,000
NP090003 Energy Division (Promotion)	455,000	455,000	910,000	455,000	455,000	910,000
NP090020 TSEP Operations - Stimulus	-	-	-	81,158	79,415	160,573
<b>New Proposal Total</b>	<b>6,833,419</b>	<b>6,826,581</b>	<b>13,660,000</b>	<b>53,426,603</b>	<b>53,412,422</b>	<b>106,839,025</b>
<b>Total All Decision Packages</b>	<b>6,833,419</b>	<b>6,826,581</b>	<b>13,660,000</b>	<b>53,426,603</b>	<b>53,412,422</b>	<b>106,839,025</b>

### **Decision Package Narrative**

**DP-9000 Worker Training-** This item requests appropriation of \$3,997,361 federal special revenue annually (\$7,994,722 over the biennium) for worker training grants to train both new and existing workers.

**DP-9001 Tribal Economic Development -** This item requests appropriation of \$798,496 federal special revenue annually (\$1,596,992 over the biennium) to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of Tribal economic development activities and projects.

**DP-9002 Montana Main Street Program -** This item requests appropriation of \$125,000 federal special revenue annually (\$250,000 over the biennium) to help communities rejuvenate their downtown and historic districts.

DP-9003 Energy Promotion and Development Division - This item requests appropriation of \$455,000 federal special revenue annually (\$910,000 over the biennium) to continue the operation of the division.

DP-90006 Broadband Matching Grants - This item requests appropriation of \$5,000,000 over the biennium to provide grants for local matching of federal funds to provide broadband services to people in un-served or underserved areas.

DP-51000 Distressed Wood Product Industry - This item requests appropriation of \$3,752,548 general fund annually (\$7,500,000 over the biennium) to establish a program to retain and create jobs and aid in the retention of wood products industry infrastructure in Montana.

DP-510002 Community Development Block Grants - This item requests appropriation of federal special revenue spending authority for \$1,829,878 in CDBG funds for economic development, housing, or public facilities projects sponsored by municipal or county governments.

DP-90007 School Facilities Administration and Grants - This item requests appropriation of \$43.0 million state special revenue for funds transferred to the agency in order to administer school facility grants.

DP-9020 TSEP Operations - This item requests appropriation of \$160,573 state special revenue to administer the Treasure State Endowment Program. That provides grants to localities for infrastructure projects.

DP-74001 Tax Credit Assistance Program - Provides federal funding to fill equity gaps of tax credits issued in 2007, 2008, and 2009. Credits are distributed competitively through the federal HOME program formula.

DP-74002 Housing Credit Exchange - Federal special revenue spending authority for proceeds of unused housing project tax credits exchanged for cash to be used to fill funding gaps for eligible housing projects.

### **Alternatives and Policy Options**

Policy questions that the legislature may want to consider revolve around the use of freed-up general fund for new or expanded projects. The remaining federal funding is structured for distribution in existing programs or through specific uses defined in the ARRA.

## SECTION A DEPARTMENT OF LABOR AND INDUSTRY

Figure 1

6602 Department Of Labor & Industry Legislative Budget Comparison Table							All Programs	
Federal Stimulus Budget Version	Base FY 2008	Approp FY 2009	Budgeted FY 2010	Budgeted FY 2011	Biennium FY 2008-09	Biennium FY 2010-11	Biennial Change	Biennial Percent
Budget Item								
Personal Services	-	-	3,301,431	699,586	-	4,001,017	4,001,017	0.0%
Operating Expenses	-	-	3,612,520	677,686	-	4,290,206	4,290,206	0.0%
Grants	-	-	6,790,340	272,534	-	7,062,874	7,062,874	0.0%
<b>Total Costs</b>	-	-	<b>13,704,291</b>	<b>1,649,806</b>	-	<b>15,354,097</b>	<b>15,354,097</b>	<b>0.0%</b>
Federal Spec. Rev. Funds	-	-	13,704,291	1,649,806	-	15,354,097	15,354,097	0.0%
<b>Total Funds</b>	-	-	<b>13,704,291</b>	<b>1,649,806</b>	-	<b>15,354,097</b>	<b>15,354,097</b>	<b>0.0%</b>

### Agency Narrative

The Department of Labor and Industry is provided \$15.3 million in federal fund spending authority for worker and community benefit programs including worker training programs, special assistance to workers displaced by trade activities, re-employment services, job search assistance, funding for community service programs, and funding for the modernization and administration of the Unemployment Insurance Program.

Additional funding for the extension and expansion of unemployment insurance payments are discussed in the decision package and purpose of funds sections below, but are not appropriated in this bill because the funds are transferred into a proprietary enterprise account that does not require appropriation for the payment of benefits to claimants.

### Purpose of Funds

The federal stimulus funds that are being made available through the Department of Labor and Industry fall in to three broad categories; assistance to individuals, assistance to the state unemployment system, funding of community service programs. The assistance to individuals comes in the form of assistance for job searches, job training, and direct payment of benefits. The assistance to the state unemployment system includes funding for administration and expansion of current operations as well as temporary financial support for a modernization program that includes expanded classes of unemployment beneficiaries and an alternative base period for the calculation of benefits to claimants.

#### *Assistance to Individuals*

The federal Workforce Investment Act is being used as the vehicle for the distribution of over \$5.9 million for adult, youth, and dislocated worker training programs currently being operated by the department. These programs are geared toward an individual's job skill progression, job re-training, and new job search.

The Trade Adjustment Assistance program is being extended in this funding package. TAA/TRA grants contain both direct aid and funding for job re-training / new job search activities for workers in industries that are negatively impacted by the North American Free Trade Agreement (NAFTA) and/or by the movement of jobs abroad.



Using the Wagner-Peysner Act funding formula, federal funds are made available to the state to aid both general employment services and for re-employment of current UI benefit claimants. This program provides claimant servicing, job matching, and re-employment services.

Through the adoption of specific federally recommended unemployment system modernization initiatives, the state is eligible for temporary additional funding to support added benefit classes and expanded unemployment costs. The state has adopted an alternative base period that makes the look-back period, by which an individual's unemployment benefits are based, flexible in order to allow a larger number of claimants to qualify for benefits. In addition, the state has chosen to adopt two (benefits for part-time employees and benefits for individuals participating in approved worker training programs) of four optional expanded coverage items. These two changes are expected to cost the state unemployment system an estimated total of \$10.0 million each year. The stimulus funding provides funding for the initial two years, but the cost to the state will continue beyond 2011 because the modernization elements remain in statute. The federal act requires that the changes to state statute do not contain a "sunset" provision. There is however no restriction on what actions subsequent legislative sessions may take.

The largest component of direct assistance to individuals comes in the form of 100% federally funded unemployment insurance benefits paid directly to claimants. Including the additional benefits for UI program modernization and the \$25 per week benefit increase for claimants, the total additional funding is over \$207 million. Only the administration portion is appropriated in this bill. The remaining funding is provided by federal transfer of funds into a proprietary enterprise account that does not require appropriation for the payment of benefits to claimants.

#### *Assistance to the State Unemployment Insurance Program*

Each funding program provides an allowance for program administration, but there are also two specific transfers dealing with providing funding for program operations. The first is a general operational expense transfer for the administration of the UI program, improved outreach, benefit and tax operations, and staff-assisted re-employment services for UI compensation claimants. The second is a funding program to aid the state program for unemployment compensation modernization. This includes the adoption of an Alternative Base Period (ABP) and expanding UI benefits to additional classes of claimants.

#### *Funding for Community Service Programs*

The bill provides federal funding for existing grant programs directly administered or administratively attached to the department. These programs include the Senior Community Service Employment Program (SCEP), which is contracted through the Workforce Services Division and the Americorps Program. Both of these have existing activities that will be extended with the additional funding.

#### Statutory Changes

There are statutory changes required for the state to receive funding from the unemployment program modernization funds. These changes are included in the language of the bill and they include the adoption of the Alternative Base Period (ABP) and the inclusion of two (benefits for part-time employees and benefits for individuals participating in approved worker training programs) of four options for expansion of benefits to classes of claimants not previously covered. These changes in statute are required to be permanent in so much as they are not allowed to contain a "sunset" provision. Combined, these changes are expected to cost the state unemployment system an estimated \$10.0 million each year. The stimulus act provides funding for the initial two years, but not subsequent years if the modernization elements remain in statute.



### Conditions and Limitations

The majority of the funding being made available to the agency comes through existing federal programs or grant formulas and is therefore subject to the conditions and limitations that currently exist for those programs. The only exception to this is the condition placed on the UI program modernization funds that require changes in statute as discussed above.

Figure 2

6602 Department Of Labor & Industry				All Programs		
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP010001 Temporary Extension of TAA	-	-	-	1,202,742	400,914	1,603,656
NP010002 WIA - Adult	-	-	-	1,246,876	-	1,246,876
NP010003 WIA - Youth	-	-	-	2,947,501	-	2,947,501
NP010004 WIA - Dislocated Worker	-	-	-	1,728,008	-	1,728,008
NP010005 State Employment Services (Wagner-Peyser)	-	-	-	1,104,669	-	1,104,669
NP010006 Re-employment Services to benefit UI Claimants	-	-	-	1,380,835	460,279	1,841,114
NP010007 Community Service Employment for Older Americans	-	-	-	147,000	-	147,000
NP020001 Extend Emergency Unemployment Compensation Prc	-	-	-	1,968,103	-	1,968,103
NP020002 Temporary Extension of TAA Program	-	-	-	113,242	73,585	186,827
NP020003 Increase UI Compensation Program (\$25 weekly)	-	-	-	190,628	-	190,628
NP020004 Special Transfer for UI Comp Modernization	-	-	-	340,271	154,748	495,019
NP020005 Special Transfer for UI Administration	-	-	-	834,416	560,280	1,394,696
NP070001 Americorps - Grants	-	-	-	500,000	-	500,000
<b>New Proposal Total</b>	-	-	-	<b>13,704,291</b>	<b>1,649,806</b>	<b>15,354,097</b>
<b>Total All Decision Packages</b>	-	-	-	<b>13,704,291</b>	<b>1,649,806</b>	<b>15,354,097</b>

### Decision Package Narrative

DP-10001 Temporary Extension of Trade Adjustment Assistance Program – This item requests appropriation of \$1,202,742 in FY 2010 and \$400,914 in FY 2011 of federal special revenue for the temporary extension of the Trade Adjustment Assistance (TAA) Program.

DP-10002 Workforce Investment Act Adult Training – This item requests appropriation of \$311,719 in FY 2009 and \$935,157 in FY 10 of federal special revenue to the Workforce Services Division at the Department of Labor and Industry for WIA adult training programs.

DP-10003 Workforce Investment Act Youth Training- This item requests appropriation of \$736,875 in FY 2009 and \$2,210,626 in FY 2010 of federal special revenue to the Workforce Services Division at the Department of Labor and Industry for WIA youth training programs.

DP-10004 Workforce Investment Act Dislocated Worker Training – This item requests appropriation of \$432,002 in FY 2009 and \$1,296,006 in FY 2010 of federal special revenue to the Workforce Services Division at the Department of Labor for WIA dislocated worker training grants.

DP-10005 State Employment Services – This item requests appropriation of \$276,167 in FY 2009 and \$828,502 in FY 2010 of federal special revenue to the Workforce Services Division of the Department of Labor for state employment services and re-employment grants. Funding is included for job servicing operation and job matching. The appropriation amount is based on the federal Wagner-Peysner funding formula. Montana currently receives approximately 1% of the total federal funding.

DP-10006 Re-employment Services to Benefit UI Claimants – This item requests appropriation of \$1,380,835 in FY 2010 and \$460,279 in FY 2011 of federal special revenue to the Workforce Services Division of the Department of Labor and Industry for re-employment services to benefit unemployment insurance claimants.

DP-10007 Community Service Employment for Older Americans – This item requests appropriation of \$36,750 in FY 2009 and \$110,250 in FY 2010 to the Workforce Services Division of the Department of Labor and Industry for the Senior Community Service Employment Program (SCEP), which is contracted through the WSD.

DP-20001 Extended Emergency Unemployment Compensation – This item requests appropriation of \$74,388,749 in FY 2009 and \$51,425,258 in FY 2010 (\$1,968,103 included in HB 645) to the Unemployment Insurance Division of the Department of Labor and Industry for emergency unemployment compensation. This 100% federally funded appropriation extends the payment of emergency compensation through December 31, 2009.

DP-20002 Temporary Extension of TAA TRA Program – This item requests appropriation of \$1,157,418 in FY 2009, \$10,552,874 in FY 2010, and \$4,372,897 in FY 2011 (\$186,827 included in HB 645) federal special revenue to the Unemployment Insurance Division of the Department of Labor and Industry for the temporary extension and expansion of the Trade Adjustment Program. This will expand TAA and TRA benefits to service sector and public agency workers negatively impacted by NAFTA.

DP-20003 \$25 Weekly UI Compensation Increase – This item requests appropriation of \$5,582,257 in FY 2009 and \$16,746,771 in FY 2010 (\$190,628 included in HB 645) federal special revenue to the Unemployment Insurance Division of the Department of Labor and Industry for the increase in weekly benefits of all claimants (including EUC) by \$25 per week for all claims filed before January 1, 2010. The increased benefit will expire on June 30, 2010.

DP-20004 UI Modernization – This item requests appropriation of \$2,019,819 in FY 2009, \$9,217,807 in FY 2010, and \$9,552,398 in FY 2011 (\$495,019 included in HB 645) of federal funds to the Unemployment Insurance Division of the Department of Labor and Industry for the special transfer of federal funds for unemployment compensation modernization. This includes funding for the adoption of an Alternative Base Period (ABP) and the adoption of legislation expanding UI benefits.

DP-20005 Special Transfer for UI Administration – This item requests appropriation of \$259,438 in FY 2009, \$574,933 in FY 2010, and \$565,583 in FY 2011 of federal special revenue to the Unemployment Insurance Division of the Department of Labor and Industry for the administration of the UI program, improved outreach, benefit and tax operations, and staff-assisted re-employment services for UI compensation claimants.

DP-20006 Full Federal Funding of Extended Unemployment Benefits – This item requests appropriation of \$24,953,478 (funding is not included in HB 645) federal special revenue to the Unemployment Insurance Division of the Department of Labor and Industry to provide 100% federally funded extended unemployment compensation through June 1, 2010. These benefits are usually funded 50% state – 50% federal.

DP-70001 Americorps Grants – This item requests appropriation of \$500,000 in FY 2009 to the Office of Community Service of the Department of Labor and Industry for the distribution of grants to existing Americorps programs.

### **Alternatives and Policy Options**

The primary policy question the legislature may want to consider is the acceptance of the funds related to the UI program modernization. The acceptance of these funds require a change in statute that will result in an increased cost to the program that will not be supported by the federal funds beyond the funding provided by the federal stimulus act. The Department of Labor estimates that the cost of the expanded coverage will be \$10 million each year. The current UI tax rate may provide a sufficient revenue stream to support the additional cost, but if it does not the legislature may be faced with the question of increasing the tax to employers to support the expanded benefits in the future.

## SECTION A DEPARTMENT OF MILITARY AFFAIRS

Figure 1

6701 Department Of Military Affairs							All Programs	
Legislative Budget Comparison Table								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Operating Expenses	-	-	48,500	-	-	48,500	48,500	0.0%
Equipment & Intangible Assets	-	-	-	-	-	-	-	0.0%
Transfers	-	-	1,231,068	-	-	1,231,068	1,231,068	0.0%
<b>Total Costs</b>	-	-	<b>1,279,568</b>	-	-	<b>1,279,568</b>	<b>1,279,568</b>	<b>0.0%</b>
General Fund	-	-	-	-	-	-	-	0.0%
Federal Spec. Rev. Funds	-	-	1,279,568	-	-	1,279,568	1,279,568	0.0%
<b>Total Funds</b>	-	-	<b>1,279,568</b>	-	-	<b>1,279,568</b>	<b>1,279,568</b>	<b>0.0%</b>

Agency Narrative

The department is provided \$1,279,568 federal special revenue for National Guard Bureau approved projects to improve, repair and modernize facilities.

Purpose of Funds

Federal funds made available through the American Recovery and Reinvestment Act to the Department of Defense are to improve, repair and modernize facilities. The projects listed in the decision packages have been approved by the National Guard Bureau. A number of these projects have funding that will be transferred to HB 5 long-range building projects.

Statutory Changes

There are no statutory changes required.

Conditions and Limitations

Funds are required to be obligated by September 30, 2010.

Figure 2

6701 Department Of Military Affairs				All Programs		
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP012002 Billings Armory - Water Recycler	-	-	-	18,500	-	18,500
NP012003 Ft. Harrison Bldg. 412 Mechanical	-	-	-	30,000	-	30,000
NP012004 Culbertson Armory - Female Latrines	-	-	-	225,900	-	225,900
NP012005 Malta Armory - Female Latrines	-	-	-	225,900	-	225,900
NP012006 Statewide Armories - Vault Modifications	-	-	-	500,000	-	500,000
NP012007 Ft. Harrison - Helicopter Dip Sites	-	-	-	279,268	-	279,268
<b>New Proposal Total</b>	-	-	-	<b>1,279,568</b>	-	<b>1,279,568</b>
<b>Total All Decision Packages</b>	-	-	-	<b>1,279,568</b>	-	<b>1,279,568</b>

## Decision Package Narrative

DP-12002 Billings Armory – Water Recycler – This item requests appropriation of \$18,500 federal special revenue in FY 2010 with any unspent funds available in FY 2011 to the ANG program for the “Billings Armory Water Recycler” project.

DP-12003 Ft. Harrison Bldg. 412 Mechanical - This item requests appropriation of \$30,000 federal special revenue in FY 2010 with any unspent funds available in FY 2011 to the ANG program for the “Fort Harrison Building 412 Mechanical” project.

DP-12004 Culbertson Armory Female Latrines - This item requests appropriation of \$225,900 federal special revenue in FY 2010 with any unspent funds available in FY 2011 to the ANG program for the “Culbertson Armory Female Latrines” project.

DP- 120005 Malta Armory Female Latrines - This item requests appropriation of \$225,900 federal special revenue in FY 2010 with any unspent funds available in FY 2011 to the ANG program for the “Malta Armory Female Latrines” project.

DP-120006 Statewide Armories Vault Modifications - This item requests appropriation of \$500,000 federal special revenue in FY 2010 with any unspent funds available in FY 2011 to the ANG program for the “Statewide Armories Vault Modifications” project.

DP-120006 Ft Harrison Helicopter Dip Sites- This item requests appropriation of \$279,268 federal special revenue in FY 2010 with any unspent funds available in FY 2011 to the ANG program for the “Fort Harrison Helicopter Dip Site” project.